

ABSTRACT

A financial product is based on a first fund that is traded on a trading marketplace in a first country. The financial product is registered in the first country. The first fund has the characteristics of being based on an index of securities that are traded in a second, different country. The first fund is arbitragable with a second fund that is based on the index and which is registered in a second different country. The first fund has a creation unit basis that is substantially the same basis as a creation unit basis for the second fund. The calculation of the net asset value of the first fund occurs at essentially or exactly the same time that second country fund has its NAV calculated. The agent for the first fund has the option of providing or accepting second fund shares or other securities, rather than cash, to cover “cash amount” obligations. Such obligations arise from the need to equate the value received or given for the first fund shares (e.g., the creation unit stock basket plus or minus the “cash amount”) with the NAV of the first fund shares that it has issued or received.

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